

Message Text

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E.O. 11652: N/A
TAGS: ECON, JM
SUBJECT: GOJ PLANS TO ACQUIRE MONTEGO FREEPORT

1. THE GOVERNMENT OF JAMAICA PLANS TO ACQUIRE THE REAL ESTATE HOLDINGS OF MONTEGO FREEPORT, THE MULTI-MILLION DOLLAR INDUSTRIAL, COMMERCIAL AND RESORT COMPLEX LOCATED WEST OF DOWNTOWN MONTEGO BAY. THE ACQUISITION WILL BE IN THE FORM OF A JOINT VENTURE WITH THE U.S. FIRM, PRUDENTIAL INC., OF NEW YORK.

2. PRUDENTIAL'S INTEREST LIES IN THE POSSIBLE USE OF THE FREEPORT FACILITIES TO STORE U.S. COAL FOR SHIPMENT TO JAPAN AND OTHER PLACES. BUT THIS IS SUBJECTED TO RESULTS OF TESTS ON LIKELY POLLUTION PROBLEMS AS MONTEGO FREEPORT IS IN THE HEART OF JAMAICA'S PREMIER RESORT AREA.

3. ACCORDING TO NEWSPAPER REPORTS, THE GOJ IS TO GET MAJORITY SHAREHOLDING WITH PRUDENTIAL HAVING MINORITY INTERESTS IN PARTNERSHIP WITH SO FAR UNNAMED JAMAICAN INVESTORS. BUT THE REPORTS HAVE FURTHER ADDED THAT THE OWNER OF THE BUSINESS, MR. TONY HART, HAS DECLARED THAT HE KNOWS NOTHING ABOUT THE IMPENDING PARTNERSHIP BETWEEN THE GOVERNMENT AND PRUDENTIAL.

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4. AMONG THE DEVELOPMENTS PLANNED FOR THE COMPLEX ARE UPGRADING OF THE PORT FACILITIES, EXPANSION OF THE TOURIST INFRASTRUCTURE, CREATION OF AN INTERNATIONAL FREE ZONE SHIPPING CENTER ON A COMMERCIAL LEVEL AND OTHER ACTIVITIES OF AN INTERNATIONAL NATURE.

5. UNDER THE ACQUISITION PLANS, PRUDENTIAL IS TO BE RESPONSIBLE

FOR ALL EXPENDITURES INVOLVING FOREIGN EXCHANGE, WHILE THE GOJ FINANCIAL INPUT WILL BE FOR THE EXPANSION OF THE FACILITIES.

6. SIMULTANEOUS WITH THE DISCLOSURE OF THE MONTEGO FREEPORT ACQUISITION PLANS, IT WAS ANNOUNCED THAT AN AMERICAN GROUP IS INTERESTED IN SETTING UP A GARMENT MANUFACTURING PLANT ON THE SITE. THIS WILL CATER EXCLUSIVELY TO THE EXPORT TRADE. THE LOCATION IS ALREADY IDENTIFIED AND ACCORDING TO MEMBER OF PARLIAMENT FOR WEST ST. JAMES, MR. FRANCIS TULLOCH, THE PROJECT COULD PROVIDE JOBS FOR SOME 500 PERSONS.

7. CABINET APPROVAL FOR THE ACQUISITION OF MONTEGO FREEPORT HAS ALREADY BEEN GIVEN AND PRUDENTIAL IS NOW SEEKING CLEARANCE FROM THE UNITED STATES GOVERNMENT.

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